

20

## Nonadmitted Insurance Tax Return

570

Calendar quarter during which the taxable insurance contract(s) took effect or was renewed.

Period ending: ☐ March ☐ June ☐ September ☐ December

Name(s) of policyholder

Social security number

☐ California corporation number ☐ FEIN

Address (number and street including PO box or rural route)

PMB no.

Telephone number

City

State

ZIP Code (or equivalent)

Principal Business Activity Code

Check entity type:

☐ Corporation ☐ Partnership ☐ Limited Liability Company ☐ Limited Liability Partnership ☐ Individual ☐ Other (specify) \_\_\_\_\_List the name of each nonadmitted insurance company and the type of coverage for each contract entered into or renewed during the calendar quarter.  
(Attach additional sheets as needed.)

## Tax Computation

|            |  |           |     |
|------------|--|-----------|-----|
| <b>1</b>   | Premiums paid or to be paid on risks located entirely within California. See instructions  | <b>1</b>  |     |
| <b>2 a</b> | Premiums paid or to be paid on risks located within and outside of California. See instructions  | <b>2a</b> |     |
| <b>2 b</b> | Portion of premiums on line 2a allocated to California pursuant to R&TC Section 13210(b). See instructions.  | <b>2b</b> |     |
| <b>3</b>   | Total taxable premiums. Add line 1 and line 2b   | <b>3</b>  |     |
| <b>4</b>   | Tax rate of 3%   | <b>4</b>  | .03 |
| <b>5</b>   | Total tax. Multiply line 3 by line 4   | <b>5</b>  |     |
| <b>6</b>   | 3% of returned premiums previously taxed. See instructions.  | <b>6</b>  |     |
|            | Total premiums returned \$ _____ Quarter/year taxed _____  | <b>6</b>  |     |
| <b>7</b>   | Credit from prior quarters   | <b>7</b>  |     |
| <b>8</b>   | Prepayments. See instructions  | <b>8</b>  |     |
| <b>9</b>   | Total credits. Add line 6 through line 8   | <b>9</b>  |     |
| <b>10</b>  | <b>Balance.</b> Subtract line 9 from line 5. If the amount on line 9 is more than the amount on line 5, see instructions   | <b>10</b> |     |
| <b>11</b>  | Penalty for late payment of tax. See instructions  | <b>11</b> |     |
| <b>12</b>  | Interest on late payment. See instructions   | <b>12</b> |     |
| <b>13</b>  | <b>Total payment due.</b> Add line 10 through line 12. If the result is positive, enter here. Make check or money order payable to the Franchise Tax Board. See instructions. If the result is negative, enter it on line 14 | <b>13</b> |     |
| <b>14</b>  | <b>Overpayment</b>   | <b>14</b> |     |
| <b>15</b>  | Overpayment to be credited to the next quarter. See instructions   | <b>15</b> |     |
| <b>16</b>  | <b>Refund.</b> Subtract line 15 from line 14   | <b>16</b> |     |

If you are an agent or broker filing this return on behalf of the insured, please enter your firm's name, address, contact person's name, and telephone number below:

|                                 |  |  |   |
|---------------------------------|--|--|---|
| <b>Please Sign Here</b>         | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. |  |   |
|                                 | Print or type elected officer or authorized person's name<br>_____   |  | Date<br>_____                                   |
| <b>Paid Preparer's Use Only</b> | Print or type preparer's name<br>_____   |  | Check if self-employed <input type="checkbox"/> |
|                                 | Preparer's signature<br>_____  |  | Date<br>_____                                   |
|                                 | Firm's name (or yours, if self-employed) and address<br>_____  |  | Telephone No.<br>( ) _____                      |
|                                 |  |  | Preparer's social security no./PTIN<br>_____    |
|                                 |  |  | Preparer's FEIN<br>_____                        |

# Instructions for Form 570

## Nonadmitted Insurance Tax Return

References in these instructions are to the California Revenue and Taxation Code (R&TC) and the California Insurance Code.

### General Information

#### Private Mailbox (PMB) Number

If you lease a mailbox from a private business rather than from the United States Postal Service, enter your PMB number in the field labeled "PMB no."

### A Purpose

Use Form 570 to determine the tax on premiums paid or to be paid to nonadmitted insurers on contracts covering risks in California. Also use Form 570 to file an amended return.

### B Who Must Pay Tax

The tax is imposed on any corporation, partnership, limited liability company, individual, bank, society, association, organization, governmental or quasi-governmental entity, joint stock company, estate or trust, receiver, trustee, assignee, referee, or any other person acting in a fiduciary capacity who independently purchases or renews an insurance contract during the calendar quarter from an insurer, including wholly-owned subsidiaries, not authorized to transact business in California.

If you do not know if the insurer is authorized to conduct business in California, call the Franchise Tax Board (FTB) Nonadmitted Insurance Desk at (916) 845-4098.

The tax will **not** be imposed on:

- Insurance coverage for which a tax on the gross premium is due or has been paid by surplus line brokers pursuant to Insurance Code Section 1775.5 (surplus lines tax);
- Gross premiums on businesses governed by provisions of Insurance Code Section 1760.5 (reinsurance of the liability of an admitted insurer and marine, aircraft, and interstate railroad insurance); or
- Insurance coverage for which a tax on the gross premium is due or has been paid by risk retention groups pursuant to Insurance Code Section 132.

**Note:** Agents or brokers filing a return on behalf of the insured, enter the requested information in the blank space below line 16.

### C Tax Rate

The tax rate is 3%. This rate is applied to the gross premium paid or to be paid, less premiums returned because of cancellation or reduction of premium on which a tax has been paid. **Do not include a stamping fee.**

### D When and Where to File

File Form 570 on or before the first day of the third month following the close of any calendar quarter during which a nonadmitted insurance contract took effect or was renewed:

| Contract effective date | Return due date |
|-------------------------|-----------------|
| January-March           | June 1          |
| April-June              | September 1     |
| July-September          | December 1      |
| October-December        | March 1         |

Mail Form 570 and payment to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

### E Interest on Refunds

The FTB will compute any interest on refunds owed to you. If an amended return results in an overpayment, interest will be allowed from the date of the overpayment.

If an overpayment results from an excess of returned premiums over premiums paid or to be paid during the quarter, interest will be allowed if the overpayment is not credited to a succeeding quarter and the refund is not paid within 120 days after the claim for refund is filed, or within 120 days after the due date of the return, whichever is later.

### F Amended Returns

Use Form 570 to file an amended return. File an amended return only to correct an error on the original return.

Print "Amended Return" in red at the top of the form. Attach a copy of the original return behind the amended return and write "copy" in red across the face of the original return. When completing line 1 through line 16 of the amended return, use the amounts that should have been reported on the original return.

Amended returns must be filed within four years of the original due date or within one year from the date of the overpayment, whichever period expires later.

**Note:** Do not file an amended return to claim returned premiums. See the Specific Line Instructions for line 6.

### Specific Line Instructions

#### Tax Computation

**Note:** Do not show net or negative amounts on line 1 through line 5 to account for returned premiums. See line 6 for returned premiums. Only use line 1 through line 5 to report taxable premiums paid or to be paid during the calendar quarter.

**Line 1** – Enter premiums paid or to be paid to a nonadmitted insurer on risks located entirely within California for contracts entered into or renewed during the calendar quarter.

**Line 2a** – Enter the total premiums paid or to be paid on contracts covering risks located within and outside of California for contracts entered into or renewed during the calendar quarter.

**Line 2b** – Enter the amount of premiums on line 2a allocated to California. You must attach a schedule showing how you determined the allocation.

Include the method used for the allocation (such as property value, sales, or number of employees).

The amount of premiums allocated to California is determined by the proportion that the risk in California bears to the total risk. Use any single standard rating method in use in all states or countries where the insurance applies or, with prior approval of the FTB, any other reasonable basis.

Allocate each contract individually if more than one contract was entered into or renewed during the calendar quarter.

**Line 6** – Enter 3% of the premiums returned during the calendar quarter because of cancellation or reduction of premiums on which nonadmitted insurance tax was paid.

Enter the quarter that the returned premiums were originally taxed. If the returned premiums are from more than one quarter, attach a schedule showing the amount of returned premiums from each quarter.

Returned premiums must be claimed on a return for the calendar quarter during which the returned premiums were received. Refunds resulting from returned premiums must be claimed within four years from the date of cancellation or reduction of premium.

**Note:** If you are an agent or broker filing this return on behalf of the insured, the refund will be paid to the insured unless a signed power of attorney from the insured is attached to the return instructing the refund to be sent to the agent or broker.

**Line 8** – Enter any payments made before filing the return. If the return is being filed after the due date, see the instructions for line 11.

**Line 10** – If the amount on line 5 is more than the amount on line 9, subtract line 9 from line 5 and enter the balance on line 10, you have tax due. If the amount on line 9 is more than the amount on line 5, subtract line 5 from line 9 and enter the result in brackets on line 10, your credits exceed your tax.

**Line 11** – If you do not pay the tax due by the due date, a penalty of 10% of the amount of tax due will be imposed. Enter 10% of the amount of tax not paid by the due date. (A penalty of 25% of the amount of tax due will be imposed when nonpayment or late payment is due to fraud.)

**Line 12** – Interest will be charged on any late payment and penalty from the due date to the date paid. Interest compounds daily and the interest rate is adjusted twice a year. If you do not include interest with your late payment or include only a portion of it, the FTB will compute the interest and bill you for it.

**Line 13** – Enter the total amount due. Make your check or money order payable to the "Franchise Tax Board." Be sure to write the calendar quarter (March, June, September, or December), the tax year, Form 570, and your social security number, California corporation number, or FEIN on your check or money order.

**Line 15** – Enter the amount of overpayment to be credited to your next return.

**Additional Information:** If you have questions, contact the FTB Nonadmitted Insurance Desk at (916) 845-4098 or call the Nonresident Withholding Section's automated toll-free service at (888) 792-4900.

**Assistance for persons with disabilities:** The FTB complies with provisions of the Americans with Disabilities Act. Persons with hearing or speech impairments: from voice phone call (800) 735-2922, or from TTY/TDD call (800) 822-6268.